

Marketing Plan

FY 2013-2014



City of Chandler
Economic Development Division
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OVERVIEW

Purpose - Economic Development Division

The purpose of the City of Chandler Economic Development Division is to attract and preserve quality retail, industrial, office, downtown, tourism and airport development that will enhance employment opportunities and improve Chandler's tax base. The Division will meet this mission through an aggressive economic development program based on recruiting new business, assisting existing businesses to remain or expand in Chandler and attracting regional, national and international visitors to community facilities.

GOALS

The Economic Development Division will continue employing and refining successful strategies from previous years to attract high-end development projects that will strengthen Chandler's economy and quality of life. Staff will also maintain its successful efforts to add industries to diversify Chandler's employment base and place them into strategic geographic locations. The Division will use a variety of marketing methods and strategies to effectively communicate Chandler's strengths of a strong business climate with great retail and industrial business development opportunities. Staff will also accelerate activities that will position Chandler as a destination for local, national, and international visitors.

Economic Development staff will continue working extensively with the Greater Phoenix Economic Council (GPEC), the Arizona Commerce Authority (ACA) and the Chandler Chamber of Commerce on business development and state/regional strategic issues. For tourism development programs, staff will work closely with the Arizona Office of Tourism (AOT), and local and national Convention and Visitors Bureaus.

FY 2013-2014 SITUATION ANALYSIS

Arizona's economy continues to show signs that it has entered into the recovery phase, albeit a slow and thoughtful recovery. Commercial vacancy rates remain high through the region, particularly in the retail sector, with a glut of space on the market. The glut of "big box" space on the market, predominately caused by failed stores, has started to see gains in occupancy. However, both consumers and businesses are slowly starting to spend again, showing increased confidence in the market. With the tremendous amount of large retail space on the market, a focus on reuse and redevelopment has become the watchword as we continue to move in recovery, particularly with vacant and zoned or planned for future retail.

The industrial/office market has fared significantly better in recovery, with vacancy rates falling across the Metro market. Companies have seen lease rates reset themselves to a much more palatable number, and it is believed that the flight to quality will continue for the coming year. While this usually is seen as a sign that the vacancy rates in older buildings will rise, a number of larger industrial buildings have seen tenancy throughout the past year with the pent-up demand of manufacturers and warehouse users finally breaking through the beleaguered credit markets. Chandler is experiencing the lowest office vacancy rates in the region, has completed two speculative office buildings in the past 12 months with several others planned in the next 24 months.

Chandler's employment market has shown tremendous resiliency in this past year with more than 4,800 new base employment jobs created in FY 2012-2013, where 1,000-1,500 jobs are typical for this market annually. These new locations have driven the office vacancy rate in

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Chandler from a high of 25% in January 2010, down less than 5% by June 2013. Chandler will continue to rate higher than average in job creation for the coming year with several large office projects slated for announcement. Due to its continued focus on job creation, Chandler remains in a strong position to attract new companies looking at expansion or new locations in this market.

Although Chandler's unemployment rate (5.2%) is still significantly below the national average of 7.6%, and the State's rate of 7.4%, it is still at its highest rate in the past 20 years. 300,000 jobs have been lost in this market in the past four years and as in years past, construction continues to show the greatest weakness in this market in both residential and commercial building. With the recovery well underway, these numbers have stabilized and we will continue to see a slight decrease in the coming year.

Although growth has not returned to the record levels set from 2001-2007, a new "normal" has found its way. Several corporate giants are under construction with large expansions and companies are still finding Chandler an attractive place to do business. Intel is under construction with its newest FAB 42, the largest FAB in the world to date. This project alone has created more than 4,000 construction jobs and 1,000 permanent jobs. Additionally, GM, QBE, Garmin, Ontrac, Nationstar, NextFort and CyrusOne have all announced Chandler expansions. Overall, the Chandler market continues to be well positioned for new and expanding companies in the coming years.

ECONOMIC DEVELOPMENT ADVISORY BOARD

The City of Chandler Economic Development Advisory Board is a Council appointed, volunteer board that is responsible for giving policy –level input into the economic development program and related activities. In that capacity, the Advisory Board serves as public forum for economic development policy discussion and presents findings and recommendations of such discussion to Mayor and City Council. The Advisory Board will continue making recommendations to the Mayor and City Council on economic development issues, including economic development goal setting, policy recommendations and strategic planning, for business recruitment, expansion and retention activities. Board member input is derived from several industry categories: Large Business, Small Business, School District, Higher Education and Banking or financial Services, Real Estate, Chamber of Commerce and At-large Business.

FY 2013-2014 OBJECTIVES

1. Continue to drive down vacancy rates in the commercial sectors by increasing recruitment and expansion efforts through targeted and key markets. Work on new development opportunities that will position Chandler to take advantage of companies flight to quality and expansion needs in the coming years.
2. Continue progress towards achieving the key goals and priorities outlined in both the Next Twenty-A New, Progressive Agenda for Chandler (March 2007) and the identified goals of Chandler's City Council.
3. Focus on the Infill Incentive Program (Commercial Reinvestment Program) to address under-performing retail corners.
4. Identify and recruit destination recreation/entertainment opportunities.
5. Work with office and industrial speculative developers to bring new product to the market to ensure space is available as quality tenants present themselves.

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6. Work with early stage companies for location opportunities at Chandler's technology incubator, Innovations.
7. Work with targeted companies to identify and select their corporate location in Chandler's Downtown office market.

RETAIL SITUATION ANALYSIS

Chandler experienced significant new retail development from the early to mid- 2000s, largely driven by the construction of the Chandler Fashion Center and related developments, rapid population growth, excellent employment opportunities, high household incomes and the opening of both the Price Freeway (Loop 101) and the Santan Freeway (Loop 202). However, we have seen an end to this rapid retail growth as the City approaches build-out. There has been little new retail development over the past several years. It is expected that retail build-out may be complete by the end of this decade.

Residential development has rebounded significantly in the past few years. Staff has identified over 4,000 housing units that have been completed, are under construction or are in the development process, primarily in Southeast Chandler. Population growth has begun to return to more rapid expansion levels, with approximately 220 citizens and approximately 100 multifamily and single family housing units added per month over the past year. Both of these numbers represent a doubling over the prior year. However, it is important to note that this growth is still considerably less than in the early to mid-2000s when growth of 700 or more residents per month was common.

An ongoing concern for staff over the past several years has been the number of vacant “big box” locations. These vacancies are largely the result of bankruptcies and store closures. Among these closures, Ultimate Electronics, Circuit City, Border’s and Mervyn’s all ceased operations, while Bashas’ has significantly downsized in Chandler. This year has seen some improvement in the filling of “big box” space as a former Bashas’ at Kyrene Road and Chandler Boulevard (Wal-Mart Neighborhood Market), the former Target at Alma School and Queen Creek roads (Shopper’s Supply) and the former PetSmart at Alma School and Warner roads (Beall’s Outlet) each have found new tenants, and believe that there may be further announcements soon. These three “big box” locations account for the filling of approximately 210,000 square feet. Staff creatively markets these sites to potential users, and with an improving economic climate we are hopeful that interest in these sites is rebounding.

The City still has many strong performing retail centers that include approximately three million square feet of development at Chandler Fashion Center and the surrounding power centers. A number of new tenants have been signed in the past two years as many of the initial 10-year leases at the mall have expired. H & M was one of the more significant retailers added in the last fiscal year.

A new challenge to both Chandler Fashion Center and Casa Paloma (in West Chandler) is the new outlet mall at Wild Horse Pass, which to date has only been open approximately three months. Staff will continue to monitor the effects of this new mall on Chandler’s overall retail market.

The restaurant segment has been particularly strong in Chandler during FY 2012-2013. New establishments that have opened or have obtained permits during FY 2012-13 include: Chop, Zipps Sports Grill, Table 49, Nando’s, Whiskey Rose, Longhorn Steakhouse, Pancheros, Firehouse Subs (Mill Crossing), Five Guys (Paseo Lindo), Jimmy John’s (Crossroads Towne Center) and Nabers Music, Bar & Eats.

A major locate for Chandler during the last fiscal year was Earnhardt Chandler Cadillac, bringing a luxury brand to the City at the Chandler 202 Auto Mall. In addition, a new Staybridge Suites hotel broke ground in June of 2013.

RETAIL

Other retail/fitness users that have opened or obtained permits during FY 2012-2013 include: Anytime Fitness, Wal-Mart Neighborhood Market (2 stores located at Cooper Road and Chandler Blvd and Kyrene Road and Chandler Blvd), LA Fitness, Beall's Outlet and Shopper's Supply.

Mayor's 4-Corner Retail Committee/Infill Incentive Plan

Economic Development staff provided support to the Mayor's 4-Corner Retail Committee during FY 2011-2012. The committee made 10 recommendations for Council consideration to revitalize the aging commercial corridors, primarily along Arizona Avenue, Alma School Road and Dobson Road. Staff will continue to work with appropriate staff to implement these recommendations, and inform key stakeholders of opportunities, changes in policy and their impacts and benefits.

Staff will continue to promote the Infill Incentive Plan to the development community. The program provides incentives to property owners who undertake the complete redevelopment of an existing commercial center or introduce a new mix of uses. It is anticipated the redevelopment of existing retail centers in these areas will lower vacancy rates and the introduction of new uses will help support the remaining retail in this area.

TARGET MARKETS

Staff will continue to focus on the recruitment of new retailers, with a significant emphasis on bringing tenants to vacant "big box" buildings and older retail centers. A significant effort will be directed to specialty, recreational and entertainment-themed retailers and restaurants. Staff believes that the current level of maturation of the City makes unique, "first in market" retail and restaurant experiences desirable to residents. Staff will focus on these unique users in its continued pursuit of specific retailers and when marketing the City's opportunities through direct mail campaigns and trade show attendance. Specific retail targets are:

- Automobile dealerships
- Specialty-themed and "first in market" restaurants
- Entertainment/recreation venues
- Home improvement/furnishings
- Sporting goods
- Full service hotels/resorts
- "First in market" retailers/destination retailers

FY 2013-2014 Objectives

1. Continue recruiting major retailers and restaurants to enhance existing retail centers and help encourage the completion of those centers that have stalled during the downturn.
2. Perform outreach to the development and brokerage communities to make them aware of retail opportunities in Chandler, particularly centers that have stalled or have "big boxes" that can be completed and/or reused or repurposed. Act as a liaison between these developers and the City to provide information on the requirements for completion of the project.

RETAIL

3. Support the redevelopment of older existing retail centers through the Infill Incentive Plan. Make property owners/developers aware of incentives available for the redevelopment and/or reuse of these centers, and encourage the introduction of a new mix of uses.
4. Provide services to the small business community, including conducting the annual Chandler Small Business Development Workshop, making the Small Business Guide available online, participating in Chandler Chamber of Commerce activities, organizing City-sponsored events and acting as a liaison to help resolve issues affecting small businesses.
5. Work with Tourism staff to continue identifying and recruiting destination retail and entertainment-themed development opportunities.
6. Assist in maintaining and updating Shop Chandler information to enable and encourage our residents to patronize businesses within the City for their consumer needs, thereby enhancing the viability of our businesses and maximizing sales tax revenues to the City.

IMPLEMENTATION STRATEGIES

Strategy	Action	Timeline	Cost
Trade Shows			
Market the City to retailers, real estate brokers and developers in order to help ensure a vibrant retail environment.	<ul style="list-style-type: none"> Exhibit and/or attend three International Council of Shopping Centers (ICSC) trade shows to market and promote the City. Produce brochures and marketing materials to support City messaging efforts. 	September 2013 February 2014 May 2014 TBD	\$9,500
Direct Contacts			
Increase awareness of the City through targeted direct mail campaigns in advance of trade show participation and by providing follow-up marketing materials after events.	<ul style="list-style-type: none"> Conduct a direct mail campaign targeting retail and recreation users, including restaurants, entertainment venues, hotels (full-service), auto dealers, home furnishings/ décor and other identified “big box” users. Follow-up as appropriate. 	August 2013 April 2014	\$2,000

RETAIL

Strategy	Action	Timeline	Cost
Small Business Services			
Promote the development and expansion of small businesses.	<ul style="list-style-type: none"> Organize the annual Chandler Small Business Development Workshop along with the Chamber, Library and Diversity Office. Update the Chandler Small Business Guide in English and Spanish - make available on the website. Act as a liaison to small businesses in order to help resolve issues with City processes, including tax, license, permit and zoning issues. 	<p>Sept./Oct. 2013</p> <p>Ongoing</p>	\$3,500
Website Information			
Provide relevant information that is vital to retailers, real estate brokers, developers and consumers.	<ul style="list-style-type: none"> Perform regular updates to retail information, including demographics, traffic counts, economic growth data and current projects on the Economic Development website. Assist in maintaining Shop Chandler information to encourage the use of businesses in the City. Secure demographic information from outside vendors. 	Quarterly	\$5,000

RETAIL

Strategy	Action	Timeline	Cost
<i>Brokerage Community Contacts/Networking</i>			
Continue to build relationships with the local real estate community through networking events and presentations.	<ul style="list-style-type: none"> Continue on-going relationship building efforts by attending networking events and making presentations to brokers. Continue to provide a retail services program that provides the information the brokerage community needs. Promote the availability of the Infill Incentive Plan as a tool to spur redevelopment. 	Continuous	\$2,000
<i>Public Relations Campaign</i>			
In conjunction with Communications and Public Affairs, promote Chandler by keeping the public/media informed.	<ul style="list-style-type: none"> Issue press releases as appropriate to inform the public of new projects, new retail establishments, Infill Incentive projects and important events. Assist with City's Shop Chandler Program and the Chandler Restaurant Coalition to encourage city residents to spend their dollars in our community. 	Continuous	\$3,500
<i>Infill Incentive Plan</i>			
Utilize the Infill Incentive Plan in order to assist property owners in the redevelopment/reuse of older, existing retail centers.	<ul style="list-style-type: none"> Promote the Infill Incentive Plan to property owners/ developers through trade show efforts, articles, press releases and direct mail campaigns. Review program applications and recommend projects to City Council. 	Ongoing	Per Council Approval

RETAIL

Strategy	Action	Timeline	Cost
Infill Incentive Plan continues	<ul style="list-style-type: none"> Analyze current retail trends and prepare report to Council with recommended Infill Incentive Plan strategies as necessary. 		
Mayor's 4-Corner Retail Committee			
Continue implementing and communicating changes in City policy as result of the committee's work.	<ul style="list-style-type: none"> Organize events to ensure that the development/ brokerage community understands the recommendations and new guidelines that have been approved by Council. 	Ongoing	\$3,000
Traffic Counts			
In conjunction with the Transportation and Development Division, conduct a traffic count analysis.	<ul style="list-style-type: none"> Assist in obtaining traffic counts for all major arterial streets in Chandler on an annual basis. Update the website and other marketing materials to reflect current traffic counts in order to meet the needs of retailers, developers and brokers. 	Spring/Summer 2014	\$4,500

Office Industrial Situational Analysis

As the global recession set in, market fundamentals eroded and local and regional economies stagnated or declined. Weakened consumer and business confidence, rising unemployment and slowed manufacturing activity were all factors that impacted every aspect of economic development. Economic recovery in the U.S. is now poised to accelerate as confidence builds and more private capital comes off the sidelines, according to U.S. News and World Report. Still unknown though is how the stronger activity seen recently will react as the pent-up demand for space begins to normalize, likely not to happen until 2015.

While the market is unlikely to strengthen significantly in the coming quarters, the vacancy rate is forecasted to continue to creep lower slowly. Chandler has seen a significant reduction on vacancy rates. With a few exceptions, construction will be limited for at least the next year, and buildings will be delivered with tenants already secured. Speculative building on both the office and industrial front are starting again with the office vacancy rate below 5% and the industrial vacancy rate hovering at 8%.

Commercial real estate experts predict the Phoenix market will be slow to transition into recovery mode, as vacancy – while forecast to decline – will remain well above market levels for the next several quarters. With Chandler as an exception to that rule, Chandler has seen a significant reduction in vacancy rates as one of the hottest markets in the valley due to a focus on land use, infra-structure and quality workforce. Job growth is anticipated between 2.5-3.5% in FY 2013-2014, causing supply and demand to more closely align.

Office and Industrial Markets:

Current State

In Chandler, FY 2012-2013 saw a number of corporate tenants move from their wait-and-see position, choosing to move forward with major location decisions. Since 2008, Chandler's vacancy rates in both the industrial and office market rose sharply, reaching 12% and 25 % at their peaks respectively. Filling space is a priority for landlords and they are offering substantial economic concessions in the form of free rent and/or generous tenant improvement allowances in order to be more competitive. This coupled with quality properties in excellent locations has resulted in limited availability for large floor plate office and industrial buildings. For example, the largest existing office property on the market is the Chandler Midway Corporate Center at 55,900 SF.

Although speculative construction activity has slowed throughout the metro area, the rezoning and redevelopment of the former Motorola site presents a unique opportunity in the Price Corridor. "Continuum" continues to be aggressively marketed as one of the Southwest's premier business and technology parks which recently announced the location of both Nationstar Mortgage and OnTrac. This positions Chandler to capture those companies interested in a signature location with campus-like amenities and excellent infrastructure.

Chandler realized benefit from a "flight to quality" within the region, as companies that could now afford an upgrade to their space, took advantage of lower prices. Even during the recession, Chandler has seen some of Greater Phoenix's most noteworthy announcements. These include General Motors (GM), Nationstar Mortgage, Infusionsoft, and Garmin.

Forecast

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Interest levels remain steady, and demand will likely continue; although at a slower pace because tenants are cautious. Businesses are more likely to be conservative with their capital spending, meaning more location decisions will be put on hold or dramatically scaled back until the economy turns up. Companies with the good fortune of being in the position to expand will benefit greatly during negotiations, but may need to be operational quickly following their location decision. Both Chandler's industrial and office markets will have a strong pipeline for the coming year. Available inventory, however, may once again become a challenge. While Chandler still has outstanding land sites available, many companies are considering existing space.

Office and Industrial Markets Opportunities:

California's highly publicized budget crisis and unfavorable operating conditions present opportunity for recruitment, as Greater Phoenix's business environment grows in appeal for expanding companies and those seeking to relocate. It also may present opportunities for Chandler companies to grow as they win supplier business and contracts over California companies that find it more difficult to compete due to the high cost of their current operating environment.

Office and Industrial Markets Industries to Pursue:

The Economic Development Office will continue to target the industries of Advanced Business Services, Aerospace/Aviation, BioTechnology, Electronics and Information/Communication Technology. However, more specific focus within those categories will be given to emerging and sustainable technology, nanotechnology, medical device and software development.

Until Innovations Technology Incubator opened its doors in April 2010, the challenge in attracting some of these firms was the lack of available lab space. "Innovations", along with a partnership with Gangplank, provided the needed specialized space to not only support the growth of life sciences, but also technology start-ups in Chandler. In addition to Innovations and Gangplank, TechShop, a membership-based, do-it-yourself workshop and fabrication studio, will be locating in Downtown Chandler. TechShop allows entrepreneurs and innovators access to a wide range of machinery, tools and software to turn their ideas into reality. Look for TechShop to open in FY 2013-2014.

Additionally, predictions for job growth out of the recession indicate a greater percentage of the labor force to be independent workers. Chandler will increase its focus on advocating for and promoting conditions that are favorable to location neutral earners, serial entrepreneurs and creative tech ventures.

In conclusion, this market continues to be one of the best value propositions in the nation. Attention should be given to affordable workforce housing and meeting the lifestyle expectations of the creative class. Because of the region-wide vacancy rate, there are multiple quality opportunities from which to choose at extremely competitive lease rates. The City should also emphasize its reputation for speed to occupancy for tenants seeking new space. Chandler must also continue to build and preserve strong relationships with existing businesses and work to remove barriers to their success.

TARGET MARKETS

Marketing activities for Industrial/Office recruitment and retention and expansion programs will compliment marketing and advertising activities conducted by partner relationships with the

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Greater Phoenix Economic Council (GPEC), the Arizona Commerce Authority (ACA) and Chandler Chamber of Commerce.

Based on target marketing efforts of the GPEC Economic Development Director's Team (EDDT), the Division has identified the following target industry list for Chandler to focus its recruitment efforts:

- Advanced Business Services, including data processing, software design, financial services and other office sectors.
- Aerospace/Aviation-related industries for Chandler Municipal Airport, the Chandler Airpark Area as well as other conducive areas of Chandler.
- Bio-industry companies, including medical device manufacturing, products and services related to medicine, health-related technologies, nanotechnology and research applications.
- Information/Communication Technology (formerly referred to as Telecommunications), including software and programming design, Internet infrastructure and others.
- Electronics sector industries, including semiconductor/chip products, computers, printed circuit boards, computer hardware, relays and controls and related products.

FY 2013/2014 OBJECTIVES

1. Diversify the community's economy through targeted recruitment of specific segments outside the semiconductor-manufacturing field.
2. Maintain inventory of underutilized parcels and buildings; employ a marketing strategy that matches these parcels to specific business interests and emerging entrepreneurs.
3. Pursue companies within target industries & competitor markets that are exhibiting predictive changes (in product lines, management, workforce, budget, etc.) through multiple touch points.
4. Grow linkages with Arizona State University (ASU), Northern Arizona University (NAU), the University of Arizona (UA) and Chandler-Gilbert Community College.
5. Promote Chandler's assets as they relate to researchers, start-ups and technology entrepreneurs, including Continuum, Innovations Technology Incubator, Gangplank and a wide variety of support services such as meeting facilities and entrepreneurial networks.
6. Position Price Corridor to reflect its unique mix of housing, infrastructure and industry clustering that forms a "super-technology region".
7. Conduct Retention and Expansion visits to assist companies to grow and expand in the community and address any issues or perceived problems.
8. Continue to partner with the Greater Phoenix Economic Council and Arizona Commerce Authority on recruitment missions and opportunities to highlight Chandler to national and international businesses.
9. Work together with the airport administrator to continue existing marketing strategies and implement new ones for the Airport and Airpark Area.
10. Partner with ASU, NAU, UA, Maricopa Community College District, Flinn Foundation, Arizona Commerce Authority and the Greater Phoenix Economic Council on statewide biotechnology marketing programs and messages.
11. Maintain relationships with developers and real estate representatives to help ensure appropriate inventory of commercial buildings in strategic geographic

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locations/employment corridors (Airpark, West Chandler, North Chandler, Price Corridor) and assist in marketing real estate opportunities.

IMPLEMENTATION STRATEGIES

Strategy	Action	Timeline	Cost
Marketing Materials			
Employ a multi-faceted, integrated approach (relationship marketing, sales missions, media, collateral materials, etc.) to provide an overview of Chandler's business environment and showcases its attractiveness & work-life balance as it appeals to today's high-quality / knowledge-economy employers.	<ul style="list-style-type: none"> Staff will update market materials (community profile and supporting informational pieces) to portray a strong, appealing business image. Additional pieces will be created in house as necessary. Continue to provide data-driven electronic and printed information and enhance delivery methods and drive traffic directly to Chandleraz.gov/ED. 	Ongoing	\$6,000
Gangplank			
Enhance Chandler's position as a location of choice for the "creative class" and location neutral earners with a focus on tech startups.	<ul style="list-style-type: none"> Promote collaborative workspace and educational opportunities. Maximize use of public spaces for camps and workforce development programs when possible. Partner to deliver notable tech events to draw talent from around the country to Chandler. 	July 2013- June 2014	Per Professional Service Agreement
Innovations			
Offer a novel, compelling and collaborative blend of services and resources for innovative entrepreneurs of the life	<ul style="list-style-type: none"> Promote Innovations as a one-stop- shop for instant turnkey facilities and access to resources to entrepreneurs and researchers. Utilize partnership with SDBC to 	July 2013- June 2014	

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Strategy	Action	Timeline	Cost
sciences and emerging technology industries.	<p>create and grow the “TechEDge” Technology Education Series & Conference.</p> <ul style="list-style-type: none"> Foster partnerships with service providers, industry leaders and resources in order to accelerate Innovations Tenants path to success. Publicize Innovations success to national business media and associated trade publications. 		\$2,000
Price Corridor			
Staff will work to position the Price Corridor as a destination for innovative thinkers and leading edge companies.	<ul style="list-style-type: none"> Enhance national business media efforts (partner with CAPA) to inform national business media and trade publications of business growth, successes and new development. Work closely with key stakeholders to promote key messages to Chandler’s local business community and leadership. Use new marketing (printed and electronic) pieces to give an overview of the Corridor’s business environment by demonstrating its unique mix of housing, infrastructure, workforce and corporate neighbors. 	July 2013- June 2014	\$4,391
Industrial / Office New Business Recruitment Contract Services			
Includes participation at GPEC, EDDT and ACA functions, marketing coordination, events, and on-going projects.	<ul style="list-style-type: none"> Leverage key economic development organization partnerships (ACA, GPEC & Chamber) to augment business attraction efforts On-going marketing and project 	July 2013- June 2014	\$ 94,001

Strategy	Action	Timeline	Cost
	response for GPEC and ACA.		
Trade Shows/Prospect Trips			
Staff will participate in trade show & prospect sales trips with GPEC and ACA.	<ul style="list-style-type: none"> Plan trade shows/prospect trips and set appointments; Focus on trips in clustered industry and geographic areas. Thirteen (17) prospect trips and trade shows are planned during the FY with a strong focus on the California and technology markets: July* – Los Angeles July - Intersolar Trade Show (San Francisco) August* - Denver August - AUVSI Trade Show (Aviation and Aerospace) (Washington D.C.) August or April* – Dallas September* – Bay Area October – SelectUSA Summit (FDI Summit) (Washington D.C.) October – CoreNet Global Annual Summit (Las Vegas) October* – Austin November or May* – New York / New Jersey November or December* – Chicago December* - Seattle January* 2014 – Los Angeles / Orange County Spring – TechEDge conference - Chandler February* - Salt Lake City 	July 2013- June 2014	\$14,500
Trade Shows/Prospect Trips continues			

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Strategy	Action	Timeline	Cost
	<ul style="list-style-type: none"> April - AZBio Trade Show April* - Bay Area April* - Dallas May* - New York June - Bio International (San Diego) <p><i>*may be subject to GPEC's travel schedule</i></p>		
Chandler Airpark and Airport			
Collaborate with the Airport Manager to implement marketing strategies for the Airport and Airpark Area.	<ul style="list-style-type: none"> Airport focus in new marketing materials (move towards creating an "executive airport" image vs. sports enthusiast/hobbyist airport). Target marketing at the NBAA trade show. Direct mail campaign. Collaborate with CAA. 	July 2013- June 2014	\$10,000
Broker/Developer Services and Networking			
Promote opportunities to commercial real estate firms to continue efforts focused on the real estate strategy and to secure time in front of those who actively promote Chandler real estate to deliver updated Chandler identity.	<ul style="list-style-type: none"> Present services overview and community information. Secure speaking engagements to civic and community groups, associations, etc. to share services, success and community information. Demonstrate Division's services to add value to the company location process. 	July 2013- June 2014	\$3,000
Industrial / Office Existing Business Services			
Work closely with local and regional groups on business assistance programs and services that benefit Chandler	<ul style="list-style-type: none"> Continue to partner with Chamber on existing business retention/expansion visits. Strengthen current R&E program 	July 2013- June 2014	\$6,325

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Strategy	Action	Timeline	Cost
employers.	<ul style="list-style-type: none"> Participation/sponsorship in business services programs. 		
<i>Business Development Programs</i>			
Manage and market the City's business development programs. Staff will emphasize locations and target companies that may be offered potential benefit of Chandler Industrial Development Authority, Arizona Commerce Authority Workforce Training Program, Maricopa Workforce Connection Job Training Program and On-The-Job Training Programs and SBA Loan programs.	<ul style="list-style-type: none"> On-going marketing of business development programs. Direct mail campaign to existing businesses. Participate in the Chandler Industrial Development Authority process. Promote business assistant programs such as the job training grants, enhanced R&D tax credit and business solutions/rebates from local utilities. 	July 2013- June 2014	\$4,000
<i>Direct Contact</i>			
Campaigns will be directed to five targeted industry groups and will include mailing recruitment packages and direct follow-up calls.	<ul style="list-style-type: none"> Pursue companies within target industries & competitor markets that are exhibiting predictive changes (in product lines, management, workforce, budget, etc.) through multiple touch points. Continue relationship marketing with regular contact with Site Selectors, CEO's and developers. 	July 2013 - June 2014	\$3,000
<i>International Programs</i>			
Network with key international contracts to gain a better understanding of the people, companies and other linkages that connect our market to the	<ul style="list-style-type: none"> Continue to network with Arizona Global Network, Arizona Commerce Authority, Greater Phoenix Economic Council, U.S. Department of Commerce and other international brokers regarding business development 	July 2013 - June 2014	\$6,000

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Strategy	Action	Timeline	Cost
targeted countries.	and trade opportunities. <ul style="list-style-type: none"> Explore relationships with Arizona Consular Corp in order to promote Arizona (28 counties are represented in this group). 		
Public Relations Campaign			
Continue press release campaign to increase awareness and exposure of programs available for prospective and existing business and provide awareness about development opportunities.	<ul style="list-style-type: none"> On-going press release campaign. Leverage GPEC national/international earned media program. Implement an e-news blast system (compatible with new branding) for short, up-to-the minute alerts for big announcements to identified stakeholders. 	July 2013 - June 2014	\$0

SITUATION ANALYSIS

Arizona's tourism industry began to see a softening in the Phoenix metro market in late 2008, the generally negative economic conditions worsened and spiraled down in 2009 with double-digit decreases in occupancy, average rate, and RevPAR (revenue per available room). The economic downturn affected all industries and has been plagued by high unemployment, high foreclosure rates, as well as weakened consumer and business confidence. In 2009, business travel, corporate meetings, and leisure travel all experienced sharp declines as people and companies alike reduced their expenses to compensate for revenue reductions. Companies also felt the pressure to eliminate travel to perceived luxurious destinations like Arizona in what is often cited as the AIG effect. There was also backlash to SB1070.

In addition to the economic challenges of 2009, Chandler also experienced a dramatic increase in product inventory with the opening of five additional hotels resulting in a 41.9% increase in the community's inventory from 1,768 to 2,510 guest rooms. This does not include the additional hotel rooms added to neighboring communities including Gilbert and the Gila River Indian Community.

In 2010, Chandler along with the metro-Phoenix market began to see some positive movement in hotel occupancy at the expense of rate. Revenue per available room (RevPAR) did experience modest increases due to the improved occupancy figures but hotels throughout the valley sacrificed lower rates in an effort to stimulate demand and drive occupancy figures. In 2010, the lower average daily rates (ADR) pitted luxury hotels and select service properties against each other and often in competition for the same traveler.

Despite people's continuing concerns regarding the economy - some positive signs have been emerging although key tourism indicators are still down from peak demand in 2006/2007.

The Chandler market did see some occupancy declines in FY12/13 from the previous year which had been significantly higher due to the construction associated with Intel's FAB 42 plant. Additionally, the Chandler market has seen a modest increase in ADR of 5.7% for CY 2012 as compared to CY 2011.

	CHANDLER			METRO PHOENIX		
	2012	2011	2010	2012	2011	2010
Occupancy*	60.3%	65.6%	56%	57.7%	57.9%	55.8%
ADR*	\$94.38	\$89.33	\$87.80	\$105.97	\$103.95	\$100.62
RevPAR*	\$56.93	\$58.60	\$49.13	\$61.17	\$60.22	\$56.17

**Annual information regarding Chandler hotel occupancy, average daily room rate (ADR), and revenue per available room (RevPAR) has been developed as a custom set for the Chandler market by Smith Travel Research, Inc. (STR). Re-publication, or the re-use of this data, without the express written permission of STR is strictly prohibited.*

TARGET MARKETS

Reaching the pool of potential visitors has become increasingly difficult with increased competition and limited resources. Staff continues to develop partnerships to leverage limited marketing dollars by partnering with the Arizona Office of Tourism and other destination marketing organizations for various campaigns and marketing initiatives.

The Arizona Office of Tourism has identified current markets with a high propensity for Arizona travel.

Primary Market: Younger Boomers

- Age: 49-55
- HHI: \$100,000+ (Emphasis on \$125k+)

Secondary Market: Gen X, and Older Millennials

- Age: 30-48
- HHI: \$75,000+ (Emphasis on \$100k+)

Regional partnerships make sense, especially when considering that most tourists are not sitting at home, planning a vacation and thinking – “should we go to Tempe this year or should we go to Chandler?” More likely, they are trying to decide between Phoenix and Orlando, or Paris and Rome. For this reason, the City of Chandler will continue to partner with the Tempe Tourism Office to promote the Chandler/Tempe area as a preferred destination for Arizona vacations with our **Sunny Arizona** campaign. Through the **Sunny Arizona** marketing campaign, staff will target AAA/CAA members and travel agents throughout the Midwest via print advertising, digital marketing, and various sales missions to AA/CAA agencies.

Chandler staff will also continue to partner with the Descubre Phoenix visitors center in Hermosillo, Sonora Mexico and the Tempe Tourism office to promote the Chandler/Tempe area to the Sonoran drive market. This year’s marketing strategy includes significant media outreach, print advertising, radio, television, and on-line promotions along with unique marketing opportunities.

Chandler has selected advertising opportunities in the following geographic target markets:

Domestic

California, Colorado, Illinois, Minnesota, New Jersey, Ohio, Oregon, Pennsylvania, Virginia, and Washington

International

Canada: Alberta, British Columbia, and Ontario.

Mexico: The Sonoran drive market, targeting Hermosillo.

Staff will devote resources to focus on the family travel market as this is a good fit for the community as Chandler has a great number of family friendly events, activities, unique parks, and centers which make our community very appealing to traveling families.

Additionally, staff will continue to focus on promoting shopping as a great Chandler activity but will also target outdoor recreational activities such as urban birding.

Publications and Insert dates

Print Publications		Digital Marketing	
AAA Publications		Go Travel Sites	Year-round
Home & Away	September/November 2013	TravelGuidesFREE	Year-round
Midwest Traveler	January/March 2014	TripAdvisor.com	Year-round
Living	January/March 2014	Pay-Per-Click	Year-round
World	January/March 2014		
Highroads	May/June 2014		
Westways	June 2014		
Arizona Office of Tourism			
Visitors Guide	January 2014		
Madden Media			
PSTAZ Fall/Winter Insert	November 2013		
Arizona Magazine Insert	Winter 2014		
Sunset			
Full Circulation	October 2013		
MTN/SW	November 2013		
Pacific Northwest	December 2013		
Full Circulation	February 2014		
Pacific Northwest	March 2014		
Southern California	June 2014		

FY 2013-2014 OBJECTIVES

1. Continue to develop Chandler's identity as an attractive leisure and business destination through the development and implementation of a multi-layered promotional campaign. This will be measured by the number of leads generated, number of visits to the website and number of visitor guides distributed.
2. Increase overnight stays and visitation at local events and key attractions in the City of Chandler as measured by hotel occupancy rates, bed tax collections, event attendance statistics and communication with key industry professionals. Staff will coordinate opportunities for Chandler hotels and attractions to reach potential travelers and decision makers.
3. Develop a system to accurately and efficiently capture consumer and travel agent data for expanding tourism promotions. Each promotional strategy will utilize a call to action and leads generated will be captured on Chandler's database.
4. Produce professional and creative advertising campaigns and collateral that reflects the City of Chandler.
5. Facilitate and develop partnerships within the community, with Arizona cities, state offices, and organizations who may have ties to the community and collaborate together to increase visitation to Chandler and support Chandler businesses.
6. Develop relationships with local, regional, and national media to create exposure for Chandler as a destination and Chandler businesses.
7. Operate a visitors center which provides local, regional and statewide travel information.

Implementation Strategies

Strategy	Action	Timeline	Cost
<i>Marketing & Advertising</i>			
Internet Advertising and print publications are selected on a variety of factors including demographics, regional, state, and local marketing campaigns and costs. A majority of ad placements are covered through the Maricopa County Prop 302 Grant program that staff manages.	<ul style="list-style-type: none"> • Provide a consistent brand image for the Chandler tourism industry. • Create, develop, and implement Sunny Arizona marketing program promoting Chandler and Tempe targeting consumers in the Midwest, Northeast and Canada. • Develop and implement a marketing strategy targeting the Sonoran drive market. • Develop a targeted and focused social media strategy with defined goals and objectives. • Develop up to 15 destination videos to promote Chandler to travel consumers and trade professionals. • Coordinate distribution of the Chandler Visitors Guide at Phoenix Sky Harbor Airport terminals and rental car facility. 	July 2013 - June 2014	\$304,911
<i>Internet Website Development and Maintenance</i>			
<i>Marketing & Advertising continues</i>	<ul style="list-style-type: none"> • Work with a tourism website company to continually update and optimize the visitChandler.com website's enriched text and site optimization on a regular basis as well as submission to domestic and international search engines to attract potential visitors to the website. • Staff has also allocated funds for a digital re-marketing campaign that will be geo-targeted. 	July 2013 - June 2014	\$30,000

TOURISM

Strategy	Action	Timeline	Cost
<i>Collateral Materials</i>			
Publication materials are designed and developed to educate and entice visitors to come to Chandler. Brochures are used to fulfill visitor requests, distribution at trade shows, sales missions, and media events.	<ul style="list-style-type: none"> Design, produce, and distribute the Official Chandler Visitors Guide as the City of Chandler's primary fulfillment piece. Design, produce, and distribute a Cactus League Spring Training map. 	July 2013-June 2014	\$6,000
<i>Media/Sales Missions and Trade Shows</i>			
Sales missions and trade shows provide an opportunity for staff to present Chandler to media, travel providers and consumers in select markets.	<ul style="list-style-type: none"> Schedule meetings and coordinate events with qualified travel professionals and media representatives in key feeder markets to promote Chandler. Encourage local hospitality businesses to participate when appropriate and partner with AOT and Arizona CVBs/DMOs when possible. Currently staff has planned nine trade focused events and three media events for FY2014. 	July 2013-June 2014	\$25,400
<i>Familiarization Tours</i>			
More commonly known as a FAM, these community tours provide an opportunity for travel and media professionals a chance to experience Chandler and enhance their knowledge of the area.	<ul style="list-style-type: none"> Staff currently has four FAM tours scheduled for FY2014 but will partner with AOT, Arizona CVBs and community stakeholders to conduct FAM tours on an as needed basis. 	July 2013-June 2014	\$13,000

TOURISM

Strategy	Action	Timeline	Cost
Promotional Items			
	<ul style="list-style-type: none"> Purchases will be made as necessary throughout the year for tradeshow, sales missions, media missions and special events. 	July 2013- June 2014	\$2,000
Tourism Industry Education /Networking			
	<ul style="list-style-type: none"> Staff will attend local events such as the Governor's Conference on Tourism, quarterly state tourism meetings, industry planning meetings, and host quarterly meetings for Chandler stakeholders. 	July 2013- June 2014	\$2,200
Memberships			
	<ul style="list-style-type: none"> Acquire and maintain membership in local, regional, state and national tourism organizations key to promoting Chandler as a travel destination. 	July 2013 - June 2014	\$3,000
Research			
	<ul style="list-style-type: none"> Staff will acquire monthly reports from Smith Travel Research to help document the success of promotions and possibly highlight opportunities for growth. Staff will work with a digital website company to identify how consumers are utilizing the tourism website and identify a baseline for evaluating ROI. 	July 2013 - June 2014	\$18,300

TOURISM

Strategy	Action	Timeline	Cost
<i>Postage</i>			
	<ul style="list-style-type: none">• Respond to leads generated as a result of promotional activities.• Shipping materials for various sales related activities such as trade shows, sales missions, and special events.	July 2013 - June 2014	\$12,755

DOWNTOWN REDEVELOPMENT

Downtown Situation Analysis

The City of Chandler has worked toward revitalizing and restoring Downtown Chandler to create a unique and exciting destination for both visitors and investors. The original townsite began in 1912 with the construction of the San Marcos Resort and surrounding commercial and residential areas. For many years it served as the hub of the community, but as recently as a decade ago was in great disrepair.

The City began a comprehensive strategy to redevelop the area through direct investment and partnerships with private firms. In a relatively short period of time, it has created a huge transformation. The restoration of the historic building facades and the reintroduction of the original colonnades have created a welcoming atmosphere where people feel comfortable walking, dining and exploring. The Arizona Avenue improvements expanded the walkability of Downtown, and City Hall added an iconic new building to the skyline. Both projects helped redefine Downtown's boundaries in people's minds and have set the stage for the expansion of Downtown south towards the Loop 202 with new architectural forms and mixed-use developments.

Downtown is currently reaping the rewards of significant investment both by the City and by our private partners. The retail vacancy rate currently stands below 2% and office vacancy is at 5.3%. Accordingly, a primary focus of the next five years will be the completion of development on the three City-owned redevelopment sites. Additionally, we will seek to increase the number of arts, cultural and entertainment facilities, and begin the work to expand Downtown success further south on Arizona Avenue.

DOWNTOWN PARTNERSHIPS

The evolution of Downtown Chandler has been aided by partners too many to name, and partnerships are key to the continued redevelopment of the area. One key partner in the administration of the Chandler Enhanced Municipal Services District (EMSD) is the Downtown Chandler Community Partnership (DCCP). The EMSD is entering its eighth year of operation and was created to complement the services already provided by the City. Private property owners and businesses have chosen to pay an assessment to fund additional programs and services. The City also contributes to the District on a voluntary basis and contracts with the DCCP to manage District activities. The District programs include:

- Marketing and Special Events - Initiatives that enhance the overall image and marketability of Downtown Chandler to attract a wide array of consumers and promote Downtown shops, restaurants, lodging, recreation and other attractions. Many events have become Downtown standards and are enjoying great success. In addition to weekly Farmer's Markets in the high season to monthly Art Walks, there are over 20 major special events held Downtown. Several, now signature events like BarBQ and Block Party, bring more than 15,000 people to Downtown. In the past year, DCCP instituted billboard ads, and other consumer advertising. The Committee moved forward with their due diligence on a potential stage in Downtown. This concept will continue to be refined in the coming year. Additionally, in partnership with the City, the DCCP took on responsibility for managing the Streetlight banners and new signage kiosk materials.
- Beautification - This committee focuses on identifying and funding unique beautification efforts. In the past year, the Committee attempted to implement a trash consolidation pilot, installed new bike racks, and contributed half the cost of the AZ Ave Sign Package. In the coming year, the team will look for additional ways to improve the Downtown.

DOWNTOWN REDEVELOPMENT

- Downtown Liaison - The District employs a full-time manager to direct and manage the District programs as well as serve as a liaison for business and property owners.

DOWNTOWN REDEVELOPMENT SITES

- Several sites have been acquired, cleared and designated as key redevelopment sites for the downtown area, some owned by the City and some by private developers:
- Sites 1, 2, and 3 - Located southwest of Chandler Boulevard and Arizona Avenue is San Marcos Commons, a mixed-use project featuring mission-style architecture with 79 urban-style residential town homes, 139,000 square feet of office, restaurant and retail space, and a 540 space multi-level parking garage. The townhomes are 100% complete and all sold. The Phase II Development Agreement for the construction a parking structure and 139,000 sf. of new commercial space was amended in 2013 to extend the completion dates. The new agreement calls for vertical construction to begin no later than May 1, 2014.
- Sites 4 and 5 - These sites are due west of San Marcos Place and are entirely privately owned. A developer has completed the assembly of the site and is demolishing the remaining structures. A development plan should be forthcoming by fall 2013.
- Site 6 - Situated directly across from City Hall, this City-owned site is the prime site in the Downtown to bring new entertainment options and much needed office space. To that end, Council has directed Staff to take the property out to Request for Information (RFI) in late summer 2013. Outreach has already begun with the development community and a new partner will be selected in early 2014.
- Site 7 - The first phase of this redevelopment site, known as 123 Washington, includes 54 luxury town homes is complete. Planning for the remainder of the Site (Arizona to Washington, Chandler to Buffalo) continues.
- Site 8 - A newly designated redevelopment site in 2010, the focus of this block is the revitalization of the structures on the site, which sits north of Frye, south of Chicago, and west of Arizona Avenue. Construction on Covo, at 55 W Chicago is underway with an anticipated opening of Winter 2014. Additionally, the Wall Street complex is under new ownership who has begun significant property improvements. Several new businesses have opened as well.

SOUTH ARIZONA AVENUE ENTRY CORRIDOR

In 2008, the Chandler City Council adopted the South Arizona Avenue Entry Corridor Study as the Arizona Avenue Area Plan, which established new development guidelines for the area south of Downtown, north of the Santan Freeway (Loop 202), east of Palm Lane and west of the Union Pacific Railroad tracks. This area, which will serve as the new entrance into Downtown Chandler, is among the oldest in the City and much of the current infrastructure does not meet the City's current demands or design standards. The adopted plan identified a need to modify the existing infrastructure to improve traffic circulation and utility service. During a Special Bond Election (May 2007), local voters approved a bond issue of approximately \$60 million that will provide conceptual planning, design and construction of the project.

The first project was the South Arizona Avenue improvements from Chandler Boulevard to Frye Road. The only other active project due to budget constraints is the acquisition of right-of-way for the completion of Washington Street from Fairview to Pecos on the east side of Arizona Avenue. Once the land is acquired, design will begin.

DOWNTOWN REDEVELOPMENT

For the remaining bond monies, staff has prioritized the following projects for the next 5 years:

- Complete the Washington Street connection and related park
- Replacing antiquated water, sewer and storm drain utilities in the roadway corridors
- Begin design on Phase II of the Arizona Avenue improvements (Frye Road to Pecos).

TARGET MARKETS

Given the incredibly low vacancy rates, Downtown is having to turn away quality businesses that could add to the vitality of the area. Staff will continue to assist businesses in finding potential location opportunities, but the majority of effort will focus on the creation of new space. The capital markets and the general development outlook has greatly improved in the last year, and there is significant interest in the Downtown area.

Staff will continue to share the great opportunities for investing in Downtown to brokers, investors, developers and media to support the consumer marketing efforts of our partners. Developers and investors specializing in successful redevelopment projects in the local and national market have been contact, and will continue to be targeted for available redevelopment sites, emphasizing the following sectors:

- | | |
|-------------------------|-----------------------|
| • Commercial | • Cultural Facilities |
| • Entertainment | • Hotel |
| • Office | • Retail/Restaurant |
| • Multi-story mixed-use | |

FY 2013-2014 OBJECTIVES

1. Finalize the PDP and begin construction on the San Marcos Commons – Phase II Development Agreement.
2. Issue RFI and select development partner for Site 6.
3. Design West Boston Improvements.
4. Work with the new San Marcos Resort owners on current redevelopment efforts and Phase II Golf Course planning.
5. Hire consultant and work with all impacted City departments on the design of an Adaptive Reuse strategy.

DOWNTOWN REDEVELOPMENT

IMPLEMENTATION STRATEGIES

Strategy	Action	Timeline	Cost
<i>Collateral Materials</i>			
The City of Chandler will update marketing materials and will expand electronic access of marketing pieces as well as the creation of a new Downtown video.	<ul style="list-style-type: none"> Print materials for marketing packages and presentations that are integrated with DCCP's consumer branding campaign and the Economic Development marketing campaign promoting the City of Chandler. 	July 2013- June 2014	\$2,500
<i>Trade Shows</i>			
Staff will represent Downtown Chandler at relevant trade shows and association meetings and target specialty retailers, brokers and developers.	<ul style="list-style-type: none"> Attend/exhibit three (3) Trade Shows. International Downtown Association. Urban Land Exchange Conference. ICSC Southwest Idea Exchange. 	July 2013- June 2014	\$5,000
<i>Internet Website Development and Maintenance</i>			
Update Downtown web pages to match new branding campaign and provide visual tools to promote development opportunities, potential business locations, and promote visitation to Downtown Chandler.	<ul style="list-style-type: none"> Full scale revamp of the Downtown Redevelopment pages and integration with newly established Facebook page. Attend regional and state meetings as well as coordinate one-on-one visits with retail and office brokerage community representatives. Host development update event and provide packets to investment community. 	July 2013- June 2014	\$0

DOWNTOWN REDEVELOPMENT

Strategy	Action	Timeline	Cost
Networking			
Build relationships and network with the retail and office brokerage community, to educate them on the existing opportunities in Downtown Chandler.	<ul style="list-style-type: none"> Attend Regional and state meetings as well as coordinate one-on-one visits with retail and office brokerage community representatives. Host development updates events and provides packets to investment community. 	July 2013- June 2014	\$2,000
Media Relations			
Develop press releases and work to attract media attention to promote Downtown developments and business opportunities.	<ul style="list-style-type: none"> Coordinate efforts with Communications and Public Affairs office to network with local and regional media contacts. 	July 2013- June 2014	\$0
Stakeholder Outreach			
Develop outreach program to facilitate communication and coordination between project owners, staff, business owners, and other parties impacted by upcoming Downtown developments.	<ul style="list-style-type: none"> Staff will serve on various Downtown boards and committees. Coordinate monthly, internal 'Downtown Coordination' meetings with key Staff to address Downtown specific issues. 	July 2013- June 2014	\$0
Entertainment District			
Broaden the scope of prior efforts to target artists and arts-related businesses to the Downtown area to include entertainment options.	<ul style="list-style-type: none"> Explore possible reuse of the old ICAN building to support an entertainment, art or cultural use. Continue outreach to the arts community. 	July 2013- Spring 2014	TBD

DOWNTOWN REDEVELOPMENT

Strategy	Action	Timeline	Cost
<i>ASU and U of A Support</i>			
As the Universities open their campuses in Downtown, aid in their marketing and integration efforts.	<ul style="list-style-type: none"> Complete construction on the ASU facility in Fall 2014. Develop opportunities for cross-promotion and coordination. 	July 2013- June 2014	TBD
<i>Business Support and Incentives</i>			
Administer grants for several active projects where incentives were previously provided to improve existing buildings and assist new businesses with locating to Downtown Chandler.	<ul style="list-style-type: none"> Administer remaining Façade program funds. Continue providing location assistance. Post available properties on website. 	July 2013- Spring 2014	\$508,000
<i>EMSD Support</i>			
Economic Development is responsible for administering the contract with the Downtown Chandler Community Partnership for the Chandler Enhanced Municipal Services District.	<ul style="list-style-type: none"> Review DCCP audits, participate in subcommittees, provide program guidance, take needed authorizations to Council, and administer program funds. 	July 2013- Spring 2014	\$118,804
<i>Built Environment</i>			
Oversee the maintenance, remediation and demolition for properties purchased with the Downtown Redevelopment Area.	<ul style="list-style-type: none"> Provide ongoing property management and maintenance to Colonnade, public areas and parking lots. Special projects include: Park Bathroom remodel, and Beam and Truss replacements. Facilitate redevelopment project implementation. 	July 2011- Spring 2013	\$275,000

DOWNTOWN REDEVELOPMENT

Strategy	Action	Timeline	Cost
<i>West Boston Improvements</i>			
The section of Boston Street from Oregon to California has some of the oldest remaining sidewalks in the City. Additionally, all but one building do not have sprinklers.	<ul style="list-style-type: none"> Design sidewalk and lighting improvements to bring this area to modern ADA standards and visually extend Downtown. Look at the feasibility of a centralized fire riser system to encourage the installation of sprinklers on this historic block. 	July 2013-Spring 2014	\$98,000
<i>San Marcos Resort Redevelopment</i>			
The Resort is under new ownership as of February 2013 and they have begun their first round of upgrades. Support these through the full development process.	<ul style="list-style-type: none"> Phase I is scheduled to be completed in time for the Hotel's 100th birthday in November 2013. This includes upgrades of guest rooms, ballrooms, lobby, landscaping, and a new courtyard experience. Phase II slated for next year includes golf course upgrades and a potential connection of Dakota Street. Staff is working on potential designs and discussing with hotel ownership. 	July 2013-Spring 2014	TBD
<i>Adaptive Reuse</i>			
Council has funded the hiring of a consultant to help design an adaptive reuse strategy to help bring new life to old buildings.	<ul style="list-style-type: none"> An RFP will be issued and a consultant hired to review existing plans, procedures and code along with a review of industry best practices. The end goal is to develop a strategy that will better enable businesses to utilize existing buildings. 	July 2013-Spring 2014	\$30,000

Situational Analysis

Chandler Municipal Airport Administration plans, provides, operates and safely maintains an aviation facility that meets the needs of the aeronautical industry and encourages the expansion of existing business while attracting new opportunities. The following outlines business development efforts designed to drive private investment, increase traffic and promote the airport as a welcoming destination for innovative, adventurous pilots and a convenient alternative for business aircraft.

Airport Role in Economic Development

Chandler has long been a city focused on intelligent growth, and with the anticipated popularity of southeast Chandler, community leaders designated the nine square miles surrounding the Airport as an “Employment Corridor” called the Airpark Area. This designation preserved the area for job creation and involved land use planning that encouraged the development of non-noise sensitive uses. At City build out, about 28 million square feet of non-residential space is anticipated to be home to more than 30,000 jobs. The airport is a unique asset that sets this employment corridor apart. Couple infrastructure with access to a talented population of 1.3 million people within a 30 minute commute and the airpark area is a place that competes internationally for top companies.

Air transport is a critical factor driving economic progress. If Greater Phoenix’s airspace system doesn’t function effectively, the region will fail to compete on a global scale for quality jobs. Chandler Municipal, along with five other valley airports are designated relievers to the region’s two commercial service airports, meaning the Airport serves the region’s general aviation traffic to allow the two large airports to focus on providing robust commercial and cargo service. As a general aviation airport, Chandler Municipal serves all civilian flying except scheduled passenger service. This task is not insignificant as it includes aeromedical flights, tourism, flight instruction, air-taxi and charter services, corporate flights and self-piloted business flights.

Chandler Municipal Airport consistently ranks among the country’s busiest airports in terms of take-offs and landings. In June 2013, it was the 45th busiest airport in the US and the 18th business General Aviation airport. In 2012, total operations exceeded 197,000 and the Airport has experienced a steady increase since FY 2010-2011, when operations dropped to nearly 160,000.

Municipal Airport Forecast

Broader Picture Indicates Opportunity for Successful Growth

According to the General Aviation Manufacturers Association (GAMA), more than 223,000 general aviation aircraft including helicopters, piston-powered airplanes, turboprops, and intercontinental business jets are currently flying throughout the United States. GA aircraft in the United States fly over 23 million hours each year, two-thirds of which are for business purposes. GA directly contributes more than \$150 billion to the U.S. economy annually and employs more than 1,265,000 people whose collective earnings exceed \$53 billion.

Furthermore, the Arizona Department of Transportation (ADOT) recently released a statewide report on the economic impact of aviation on the State of Arizona. Aviation-related jobs account for nearly 17% of the state’s total employment and deliver an annual economic impact of more

CHANDLER MUNICIPAL AIRPORT

than \$58 billion. The report also speculates that over the next 20 years, the aviation industry employment should grow by 36%.

Chandler Municipal has garnered an outstanding reputation for being a leading center for flight training professionals and as an exciting hub that caters to the aviation enthusiast. However, a locational advantage along the freeway, as well as parallel runways and quick ability for Instrument Flight Rules (IFR) clearance presents Chandler Municipal a prime opportunity to serve the burgeoning business community. There are a number of Chandler companies who utilize an aircraft for business purposes and we're proud to serve them at Chandler Municipal. We hope to see that number grow as we add services to the airport and educate valley employers and other companies in southwestern U.S. markets who have business interests in Greater Phoenix that this is a convenient, consideration-worthy location.

Available building inventory is a challenge for the Airport. While Chandler Municipal has outstanding, shovel ready land sites available, many companies are considering existing space. This leads to missed opportunities on qualified prospects thus; the opening of Aviation Drive and realignment of Airport Boulevard activated more than 15 acres for commercial enterprises. Staff will continue to work to attract quality developers to the Airport.

Municipal Airport Assets

Creating Favorable Conditions for Airport Growth

Chandler Municipal plays a significant enough role to the National Airspace System that it is included in the National Plan of Integrated Airport Systems (NPIAS) and is thereby eligible for Federal funding via the Airport Improvement Program (AIP). Staff will leverage funding sources from partner agencies such as ADOT and the Federal Aviation Administration (FAA) in order to build and maintain a high-quality facility.

FY 2013-2014 OBJECTIVES

1. Strive to operate a safe, well-maintained airport environment that meets the needs of the aeronautical industry.
2. Generate qualified prospects for development and aviation-related businesses as well as other economic development opportunities within the immediate airport area.
3. Encourage an environment of growth for existing organizations at the Airport.
4. Enhance the Airport's support among key stakeholder groups.
5. Work with tenants/users of the airport to regularly assess the facilities and improve customer service and amenities at the Airport.
6. Conduct Retention and Expansion visits to assist companies to grow and expand in the community and address any issues or perceived problems.
7. Continue to partner with the Greater Phoenix Economic Council (GPEC) and Arizona Commerce Authority (ACA) on recruitment missions and opportunities to highlight Chandler Municipal to national and international businesses.
8. Work together with the economic development team to ensure sustainable employment growth in the Airpark Area while balancing the needs of the aeronautical industry and the Airport's compatibility with the surrounding community.

CHANDLER MUNICIPAL AIRPORT

Implementation Strategies

Strategy	Action	Timeline	Cost
Marketing Materials			
Employ a multi-faceted, integrated approach (relationship marketing, sales missions, media, collateral materials, etc.) to provide an overview of Chandler Municipal and showcase its attractiveness as it appeals to business aviation users as well as those who enjoy and/or serve the general aviation industry.	<ul style="list-style-type: none"> Staff will update marketing materials (Airport brochure, Info/maps, business directory, etc. Pieces will be designed in house as necessary. 	Ongoing	\$800
Trade Shows/Prospect Trips			
Staff will participate in trade show & prospect sales trips with GPEC and ACA.	<ul style="list-style-type: none"> Plan trade shows/prospect trips and set appointments; Focus on trips in clustered industry and geographic areas. Four (4) prospect trips and trade shows are planned during the fiscal year. October – (National Business Aviation Association) NBAA – Las Vegas, NV January – Schedulers & Dispatchers conference, New Orleans, LA February – HeliExpo – Orange County, CA April – (Maintenance Repair Operation) MRO 	July 2013- June 2014	\$1500 plus Shared Costs With ED cost center \$3,000

CHANDLER MUNICIPAL AIRPORT

Strategy	Action	Timeline	Cost
<i>Business Assistance Programs</i>			
Promote the City and State's business development /workforce programs offered by the Chandler Industrial Development Authority and Arizona Commerce Authority.	<ul style="list-style-type: none"> • Conduct existing business retention/expansion visits • On-going marketing of business development programs. • Direct mail campaign to existing businesses. • Promote business assistant programs such as the job training grants, enhanced R&D tax credit and business solutions/rebates from local utilities. 	July 2013- June 2014	\$0
<i>Direct</i>			
Campaigns will be directed to targeted groups and will include mailing recruitment packages and direct follow-up calls	<ul style="list-style-type: none"> • Pursue companies serving the General Aviation industry and competitor markets that are exhibiting predictive changes (in product lines, management, workforce, budget, etc.) through multiple touch points. • Leverage key aviation associations • Continue relationship marketing with regular contact with brokers, site selectors, CEO's, developers and existing tenants. 	July 2013- June 2014	\$200
<i>Stakeholder Outreach</i>			
Develop outreach program to facilitate communication and coordination between staff, business owners, and other parties able to affect positive change at the Airport.	<ul style="list-style-type: none"> • Staff will serve on various boards and committees committed to advancing aviation in Arizona • Coordinate monthly, regular formal and informal meetings with key stakeholders to address Airport specific issues. 	July 2013 - June 2014	\$0

CHANDLER MUNICIPAL AIRPORT

Strategy	Action	Timeline	Cost
<i>Public Relations Campaign</i>			
Continue press release campaign to increase awareness, promote points of pride and generate interest in the airport.	<ul style="list-style-type: none"> • On-going press release campaign. • Leverage GPEC national/international earned media program. • Implement an e-news blast system (compatible with new branding) for short, up-to-the minute alerts for big announcements and construction alerts to identified stakeholders. • Enhance national business media efforts (partner with CAPA) to inform national business media and aviation trade publications of business growth, successes and new development. • Work closely with key stakeholders to promote key messages to Chandler's local business community and leadership. • Secure speaking engagements to civic and community groups, associations, etc. to share services, success and community information. 	July 2013- June 2014	\$0